

Witness Name: Alan Brace
Statement No.: M5/WGHSSG/01
Exhibits: 56
Dated: 09 December 2024

UK COVID-19 INQUIRY

WITNESS STATEMENT OF ALAN BRACE

I, Alan Brace will say as follows: -

1. As the Director of Finance of the Health and Social Services Group during the pandemic, I act as signatory to this statement in response to a request made by the Chair of the UK Covid-19 Public Inquiry ("the Inquiry") to the Health and Social Services Group under Rule 9 of the Inquiry Rules 2006 dated 3 July 2024 and referenced M5/WGHSSG/01.

Introduction

Personal background and experience

2. After joining the NHS as a National Finance Management Trainee in 1984. I held the position of Finance Director in a number of NHS Trusts in Wales beginning in 1994. In 2003, following the creation of Local Health Boards in Wales, I became Chief Executive of Carmarthenshire Local Health Board until 2008 when I was appointed Interim Director of Finance in Gwent NHS Trust. In 2009, I became Director of Finance and Procurement and Deputy Chief Executive of Aneurin Bevan University Health Board. During 2012 I covered the post of Director of Finance for the Department of Health and Social Care on an interim basis, and from 12 September 2016 I was appointed to this role permanently. I initially undertook the role on a secondment basis, until 1 October 2020, when I became a Welsh Government

employee. I retired on 30 June 2021, following which Steve Elliot was appointed interim Director of Finance, a role I understand he held until 31 March 2023.

3. As Director of Finance, I was responsible at national level for all financial matters relating to the financing of the NHS in Wales I reported to the Director General of the Health and Social Services Group / Chief Executive of NHS Wales, and I was a member of the Executive Director Team. My responsibilities included:
 - a) Budget management, control, reporting, and accounting in respect of the Group's annual budget, in line with government financial standards.
 - b) Providing direct support and advice to the Minister for Health and Social Services and Deputy Minister for Social Services on all relevant financial matters including Cabinet business, Ministerial Advisory Groups and Policy Boards, ensuring that appropriate cross portfolio connections were identified and factored into the service and advice provided.
 - c) Supporting the Director General as Additional Accounting Officer, and the Corporate Governance Committee through effective risk management, lean business processes and an effective control framework.
 - d) Leading the promotion and delivery of good financial management throughout the NHS to ensure that resources were safeguarded, used appropriately, economically, efficiently and effectively.
 - e) Providing overall leadership to the Health and Social Services Finance Directorate, ensuring a high quality of financial management, financial governance and expertise to operate to the very highest standard.
4. As Director of Finance, I was also accountable for the NHS Finance Delivery Unit (which since 1 April 2023 is the Financial Planning & Delivery Directorate of the NHS Executive, details of which have been outlined in Andrew Goodall's statement for Module 5 – **M5/GOODALL/01**). The Unit was hosted by Public Health Wales (an NHS Trust), but professionally and operationally accountable to me as the Director of Finance for Health & Social Services Group in the Welsh Government. It was formally established in 2018 by the Welsh Government with the aim of enhancing the NHS in Wales's capacity to:
 - a) Monitor and manage financial risk in the NHS in Wales and to respond at pace where organisations were demonstrating evidence of potential financial failure; and

- b) Accelerate the uptake across the NHS in Wales of best practice in financial management and technical and allocative efficiency.
- 5. During the pandemic, in addition to the core functions outlined above, the Finance Delivery Unit provided support to the Welsh Government and the NHS in Wales in key response areas such as financial management and governance.

Role during the pandemic

- 6. In March 2020, I believe the Director General of the Health and Social Services group, Andrew Goodall, felt the three areas of sourcing, storage and distribution of PPE did not fall easily into the roles and responsibilities of any one Director. As such he asked me to provide executive leadership and coordination in relation to PPE for the NHS in Wales. I provided leadership and advice relating to the sourcing, storage and distribution of PPE, but I had no role in any clinical aspects or quality issues relating to PPE.
- 7. My role was to provide a bridge between the Welsh Government and the NHS in Wales in relation to these areas, ensuring better coordination and communication across the Welsh Government and between the Welsh Government and the NHS in Wales. I also had responsibility for liaising with officials from the UK Government and the other devolved nations. I was also responsible for ensuring quick and effective decision making and management of the key risks in relation to PPE.
- 8. I was asked to provide Director-level leadership to support and brief Ministers daily on the sourcing, storage and distribution of PPE in the NHS in Wales. This was done via the daily ministerial calls, with the First Minister and Ministers. I also had regular contact with the Chief Executive Officers of local health boards, the NHS Wales Shared Services Partnership, NHS PPE leads and trade unions to discuss issues relating to the sourcing, storage and distribution of PPE. I also attended various meetings led by the Deputy Minister for Economy on wider PPE issues and worked with industry to offer both a health perspective as well as ensuring better coordination with wider public services.
- 9. From June to September 2020, I chaired the PPE Sourcing and Distribution Group. The group included representatives from the NHS Wales Shared Services

Partnership, PPE Executive Operational Leads from Cardiff and Vale University Health Board and Hywel Dda University Health Board, and the Director of Community Services Carmarthenshire County Council, as well as officials from the Welsh Government. I am asked why Cardiff and Vale University Health Board and Hywel Dda University Health Board were the only two Health Boards represented in the Group. The PPE Sourcing and distribution group was a representative group, and these two health boards represented the other health boards in Wales. They were geographically different to ensure a mix of perspectives were brought to this particular group. The key purpose of the PPE Sourcing and Distribution Group was to ensure supplies of PPE to the NHS and social care sectors in Wales. The Terms of Reference are exhibited at **M5HSSG/001 - INQ000271593**.

10. In preparing this witness statement I have relied closely on advice and information from civil service colleagues within the Welsh Government, and in particular from within the Health, Social Care and Early Years Group.

The Welsh Government Health, Social Care and Early Years Group / Health and Social Services Group

11. The Welsh Government Health, Social Care and Early Years Group (which before 2024 and throughout the relevant period was known as the Health and Social Services Group) supports the Welsh Ministers and reports to the Cabinet Secretary for Health and Social Care on progress against ministerial priorities. The Cabinet Secretary for Health and Social Care is responsible for the NHS in Wales, including all aspects of public health and health protection in Wales, and for policy and oversight of the provision of all social service activities of local authorities in Wales, including the issue of statutory guidance.
12. The Health, Social Care and Early Years Group has a unique role within the Welsh Government in that it is responsible for exercising strategic leadership and oversight of the NHS in Wales and is responsible for the robust stewardship of NHS funds. The Health, Social Care and Early Years Group is also the link between the local authorities' Directors of Social Services and the Cabinet Secretary for Health and Social Care and the Minister for Social Care.

13. The Health, Social Care and Early Years Group supports the Welsh Government to deliver its priorities, whilst also providing leadership to the NHS and social services systems in Wales to ensure they can deliver the required changes in services and culture. These changes and system expectations are set out in 'A Healthier Wales', the Welsh Government's long-term plan for health and social care.
14. As noted above, throughout the relevant period this group was known as the Health and Social Services Group and for the remainder of this statement I will refer to it as such.
15. Organograms representing the organisational structure in the Welsh Government at significant points within the pandemic period are exhibited as follows:
- a) **M5HSSG/002- INQ000116483** sets out the structure as at November 2019 and represents the position prior to the pandemic.
 - b) **M5HSSG/003-INQ000116524** and **M5HSSG/004-INQ000116586** show the structural changes which took account of the pandemic – including the introduction of the role of Deputy Director General for Health and Social Services Group, Head of Health and Social Services Group, and Director of Vaccines. The organograms also set out the role of Reg Kilpatrick who was Director of Local Government and later Director General of Covid-19 Coordination, and who had responsibility for the Covid-19 project team. Although not set out in detail, in this period Jo-Anne Daniels took on the role of Director for Test, Trace, Protect.
 - c) **M5HSSG/005- INQ000066126** highlights the change of Permanent Secretary from November 2021 and the resulting change of the Director General of the Health and Social Services Group to Judith Paget in November 2021.

Welsh Ministers, Special Advisers and Senior Civil Servants within or with oversight of the healthcare system in Wales

The Cabinet Secretary for Health and Social Care / Minister for Health and Social Services

16. The Cabinet Secretary for Health and Social Care, which before 21 March 2024 and during the relevant period was titled the Minister for Health and Social Services, is a Cabinet position in the Welsh Government. It was held by Vaughan Gething, MS from

May 2016 to May 2021 and by Eluned Morgan, MS from May 2021 to August 2024. For the remainder of this statement, I will refer to the position as the Minister for Health and Social Services.

17. The position holds a broad range of responsibilities. Although this is not an exhaustive list, these included public health; NHS delivery and performance; escalation procedures; receipt of, response to, and direction of reports from Healthcare Inspectorate Wales; oversight of the Welsh Government's relationship with Audit Wales regarding activities relating to the NHS; subject to certain exceptions, medical workforce training and development; research and development in health and social care; mental health services; patient experience and involvement; policy and oversight of the provision of all social service activities of Welsh local authorities; oversight of Social Care Wales; inspection of, and reporting on, the provision of social services by local authorities (by Care Inspectorate Wales), including joint reviews of social services and responding to reports. A full list of the Minister for Health and Social Services' ministerial responsibilities is exhibited in **M5HSSG/006-INQ000321251**.
18. During the pandemic, the Minister for Health and Social Services was responsible for:
 - a. Preparedness for the NHS in Wales, NHS initial capacity and ability to increase capacity and resilience.
 - b. The management of the pandemic in all health care settings, including infection prevention and control, triage, critical care capacity, the discharge of patients, the use of 'Do not attempt cardiopulmonary resuscitation' ("DNACPR") decisions, the approach to palliative care, workforce testing, changes to inspections, and the impact on staff and staffing levels.
 - c. Shielding and the protection of the clinically vulnerable
 - d. International travel restrictions.
 - e. The procurement and distribution of key equipment and supplies, including personal protective equipment ("PPE") and ventilators.
 - f. The National Testing Programme.
 - g. The National Vaccination Programme.

- h. The consequences of the pandemic on provision for non-Covid-19-related conditions and needs.
 - i. Oversight of the health data and evidence.
 - j. Policy and oversight of the provision of all social service activities of local authorities in Wales, including the issue of statutory guidance.
 - k. Oversight of Social Care Wales.
 - l. Regulation of residential, domiciliary, adult placements, foster care, under 8's care provision and private healthcare.
 - m. Early years, childcare and play, including the Childcare offer and workforce.
19. The Minister for Health and Social Services was also central to discussions around use of lockdowns and other non-pharmaceutical interventions such as social distancing and the use of face coverings, but these decisions were principally made by the First Minister following discussion and agreement at Cabinet.
20. Supporting the Minister for Health and Social Services is the Minister for Social Care. Within the date range relevant to this Module, the role of Minister for Social Care was titled the Deputy Minister for Health and Social Services and was held by Julie Morgan MS. Additionally, between 13 October 2020 and 13 May 2021 a new ministerial post was created for a Minister for Mental Health, Wellbeing and the Welsh Language which was filled by Eluned Morgan MS. From 13 May 2021 the role of Deputy Minister for Health and Social Services was split and Julie Morgan, MS held the role of Deputy Minister for Social Services and Lynne Neagle, MS the role of Deputy Minister for Mental Health and Well-being. Since March 2024, this latter role has been titled Minister for Mental Health and Early Years.
21. A summary of the ministerial portfolios for the period covered by this Module is set out in exhibits **M5HSSG/007-INQ000066139**, **M5HSSG/008-INQ000066140**, **M5HSSG/009- INQ000066053**.
22. More broadly, in respect of matters within the Provisional Outline of Scope for Module 5, overarching Cabinet responsibility for procurement policy lay with Rebecca Evans MS, from December 2018 as Minister for Finance and then from May 2021 as Minister for Finance and Local Government. However, individual Ministers were responsible for agreeing specific procurement activity within their portfolio areas. For example,

the Minister for Health and Social Services oversaw and agreed the funding of PPE for the NHS and social care sector.

Director General, Health and Social Services and Chief Executive of NHS Wales

23. Dr Andrew Goodall held the dual position of the Director General for Health and Social Services and Chief Executive NHS Wales from June 2014 to November 2021 after which he was appointed Permanent Secretary. Judith Paget succeeded him as Director General and Chief Executive in November 2021, initially on a temporary basis before taking up the permanent position on 1 June 2023 following a formal recruitment process.
24. The role of Chief Executive NHS Wales is not a statutory role, but it is a significant and distinctive post located in the Welsh Government, bringing together the responsibilities of a Director General in the Welsh Government with the leadership and oversight of the NHS in Wales.
25. During the pandemic the Director General for Health and Social Services was responsible for:
 - a) Enabling inter-governmental decision making for health and social care.
 - b) Overseeing how health and social care policy decisions were made, communicated, and implemented.
 - c) The availability and use of data and evidence in decision making.
 - d) Preparedness, NHS capacity, and the ability to increase capacity and resilience.
 - e) Oversight of the pandemic response in all health settings, including in respect of infection prevention and control, triage, critical care capacity, patient discharge, the approach to palliative care, workforce testing, and inspections.
 - f) Responding to the impact of the pandemic on staff, staffing levels, and workforce wellbeing.
 - g) The national procurement and distribution of key equipment and supplies, including personal protective equipment (“PPE”), ventilators, and antivirals, noting existing responsibilities for equipment and supplies through our national shared service arrangements.
 - h) Shielding guidance, and the protection of the clinically vulnerable.
 - i) Contributing to evidence which informed decisions on the use of lockdowns and other non-pharmaceutical interventions such as social distancing and the use of face coverings, from a health and care perspective.

- j) The consequences of the pandemic on provision for non-Covid-19 related conditions and needs, including the maintenance of essential services.
 - k) Overseeing the Welsh Government's public health functions, including through his line management of the Chief Medical Officer.
 - l) Supporting the Welsh Government's development of policy for social services and oversight of the care sector, including through line management of Albert Heaney, Director of Social Services and Integration (until June 2021 when he was appointed to the role of Chief Social Care Officer for Wales) and Deputy Director General, Health and Social Services (from March 2020).
 - m) Supporting the directors in the team to discharge their responsibilities, including those picking up new responsibilities arising from the pandemic response, such as vaccination and Test, Trace, Protect.
26. As NHS Wales Chief Executive, the position was accountable to the Minister for Health and Social Services and responsible for providing policy advice to Ministers, as well as exercising strategic leadership and management over NHS bodies in Wales. The responsibility for NHS Wales Chief Executive is vested in the Director General role and the powers passed down by Ministers, given that the NHS in Wales is not a statutory or corporate organisation of itself. This role is essentially an outward facing role, as the representative of the NHS in Wales, in contrast to the Director General of Health and Social Services role which is primarily an inward facing one.
27. The Director General was also designated by the then Permanent Secretary, Dame Shan Morgan, as the Accounting Officer for the NHS in Wales, and was personally responsible for the stewardship of funds for the NHS in Wales, assisted in that role by the chief executives of the different bodies that make up the NHS in Wales. As additional accounting officers themselves, they were accountable to the Director General for their respective organisations' financial management and performance. They were responsible for the leadership of their own organisations and discharge of their organisations' statutory responsibilities, in respect of local actions and implementation.
28. Authority to oversee the NHS in Wales is delegated by the Welsh Ministers, to the Director General of Health and Social Services, and in turn to the chief executives of each NHS body, through the Accounting Officer and additional accounting officer delegations. In this way, the Director General discharges the authority of the Welsh Ministers on the NHS system and its constituent organisations.

Welsh Government Health and Social Services Group Senior Civil Servants

29. The Health and Social Services Group sets out the Cabinet Secretary for Health and Social Care's expectations in respect of planning and performance and the assurance it seeks from NHS organisations through its planning, delivery and compliance frameworks. The Health and Social Services Group is also the link between the local authorities' Directors of Social Services and the Minister and Deputy Minister for Health and Social Services.
30. In addition to the organograms exhibited above, I have also outlined below the key officials working within the Group during the period of the Pandemic and relevant to the scope of Module 5:
- a) Steve Elliot, Health and Social Services Group interim Director of Finance, (30 June 2021-31 March 2023).
 - b) Simon Dean, Deputy Chief Executive of NHS Wales. Before the start of the pandemic Simon had been seconded to Betsi Cadwaladr University Health Board to provide additional support and leadership. During the initial phase of the pandemic, Alex Howells, Chief Executive of Healthcare Improvement Wales, was seconded to the role of Deputy Chief Executive NHS Wales to act as a bridge between the Health and Social Services Group, the NHS in Wales and stakeholders. Simon later returned to post in August 2020 and alongside assisting with the NHS, also led on PPE and the NHS and social care recovery framework. Simon reported to the Director General, Health and Social Services Group
 - c) Albert Heaney CBE, who was Director of Social Services and Integration until March 2020 before combining this role with the role of Deputy Director General until June 2021. Since June 2021 Albert has been the Chief Social Care Officer for Wales with senior responsibility for social care policy in Wales. Albert reports to the Director General, Health and Social Services Group.
 - d) David Goulding, the Health Emergency Planning Adviser. David continues in this role. During the pandemic he was also chair of the Covid-19 Health Countermeasures Group and reported to the Deputy Director of Public Health. He currently reports to the Director of Public Health Protection.

Special Advisers

31. Throughout the specified period, Clare Jenkins acted as Special Adviser to the Minister for Health and Social Services and the Deputy Minister for Health and Social Services.

32. Special Advisers are not decision makers. Special Advisers add a political dimension to the advice and assistance available to ministers while reinforcing the political impartiality of the permanent Civil Service by distinguishing the source of political advice and support.
33. Special Advisers are appointed by the First Minister to help ministers on matters where the work of the Welsh Government and the work of the government party overlap and where it would be inappropriate for permanent civil servants to become involved. They are an additional resource for ministers aiding from a standpoint that is more politically committed and politically aware than would be available to a minister from the permanent Civil Service.
34. Special Advisers are employed as civil servants but are subject to a separate Code of Conduct. The Code of Conduct for Special Advisers is exhibited in **M5HSSG/010-INQ000222866**.

Procurement before the pandemic

35. The approach to procurement of key medical equipment and supplies in Wales prior to the pandemic is outlined in the '*Prior to the pandemic (June 2009 to March 2020)*' section' of the corporate statement provided by Andrew Slade, the Director General of Economy, Energy and Transport with, amongst other matters, responsibility for procurement policy within the Welsh Government (**M5/WGCPD/01**). This highlights that procurement of key healthcare equipment for the NHS has been the responsibility of the NHS Wales Shared Services Partnership (also known as 'Shared Services') since it was set up on 1 April 2011 and describes how Shared Services undertook buying decisions and selected suppliers of key healthcare equipment and supplies for the NHS. It also refers to the Health and Social Services Group's Service Level Agreement that was in place with Shared Services for the storage and distribution of national countermeasures, including PPE. Exhibit **M5HSSG/011-INQ000177448** refers.
36. In order to understand how key medical equipment and supplies for use in the NHS, health and care system in Wales were procured before the pandemic, this statement should be read with the statement provided by Andrew Slade (**M5/WGCPD/01**).

Procurement during the pandemic

The role of the NHS Wales Shared Services Partnership

37. During the pandemic, responsibility for the procurement of key health equipment and supplies continued to be the responsibility of the NHS Wales Shared Services Partnership. Shared Services is responsible for exercising shared services on behalf of the NHS in Wales. Shared services are professional, administrative and technical services provided to the health service in Wales. Most of these shared services were originally performed by individual local health boards and NHS trusts. In 2011, these were brought together in one organisation, hosted by Velindre NHS Trust, with the intention that all organisations in the NHS in Wales could work together collaboratively and make use of their expertise. The responsibility for setting the policy for, and delivery of, shared services to the health service in Wales is the collective responsibility of the NHS in Wales. Local health boards and NHS trusts in Wales have collaborated over the operational arrangements for the provision of the shared services and have agreed terms in Memorandum of Co-operation to ensure that Shared Services operates effectively by collective decision making. Neither the Health and Social Services Group nor the Welsh Government are parties to this Memorandum.
38. The role of the NHS Wales Shared Services Partnership did not change during the pandemic, but its remit was expanded by the Minister for Health and Social Services on 19 March 2020 to procure and supply PPE to social care settings in Wales. On 25 March 2020, it was expanded to include supplying PPE to the wider NHS, including independent contractors in primary care (GPs, dentists, pharmacies and optometrists).
39. The Inquiry asks why the Shared Services remit was not expanded immediately at the outset of the pandemic. Procurement in local government was organised very differently to the NHS and formal arrangements and contracts were in place at the start of the pandemic that underpinned this. This meant local authorities would have been responsible for the procurement of PPE for social care settings they owned. As the pandemic developed these arrangements proved not to be as resilient or effective as needed and the decision was made to extend the remit of the NHS Wales Shared

Services Partnership to cover social care. This was formally agreed through a Service Level Agreement exhibited at **M5HSSG/012 - INQ000436116**.

40. The NHS Wales Shared Services Partnership's purchasing was subject to its own governance processes. These processes included compliance with the financial governance arrangements in place for the NHS in Wales including Standing Orders and Standing Financial Instructions. Full details of these Standing Orders and Standing Financial Instructions are outlined in the 'Governance and Spending Controls' section of **M5/WGCPD/01**. That statements also describes the structure, role and responsibilities of the NHS Wales Shared Services Partnership in more detail.

The role of the Health and Social Services Group

41. The role of the Health and Social Services Group during the pandemic period was to focus on supporting the Welsh Government to deliver its priorities, whilst also providing leadership to the NHS and social services. The group had the following overarching responsibilities:
- a) Promoting, protecting and improving the health and well-being of everyone in Wales, and leading efforts to reduce inequalities in health.
 - b) Making available a comprehensive, safe, effective and sustainable National Health Service.
 - c) Ensuring that high quality social services were available and increasingly joined up with health care and other services.
42. The Inquiry has asked whether there were areas of procurement of key healthcare equipment and supplies over which the Health and Social Services Group had exclusive or shared competence. As noted above, the NHS Wales Shared Services Partnership was responsible for procurement during the pandemic; the Health and Social Services Group did not share this responsibility, nor did it share or have exclusive competence for any individual area of key healthcare equipment and supplies procurement.
43. Nor did the Health and Social Services Group instruct the NHS Wales Shared Services Partnership as to the items or volume of PPE required. With regards to the volume and categories of PPE needed, this information would have come to Shared Services from NHS bodies and through demand modelling, described later in this

statement. The type of PPE to be used in different settings was specified in guidance produced by the UK IPC Cell, also described later in this statement.

44. However, there were groups and structures facilitated by the Health and Social Services Group to support Shared Services and the wider NHS in Wales. The *Governance Structures* section Andrew Slade's statement (**M5/WGCPD/01**) outlines the structures supporting the Welsh Government's response to the Covid-19 pandemic that are of specific relevance to Module 5. It provides details of the purpose, objectives, terms of reference, chairs and dates of operation of the following groups:
- a) The Covid-19 Health Countermeasures Group
 - b) The PPE Sourcing and Distribution Group
 - c) The PPE Policy and Demand Modelling Group
 - d) The PPE Procurement and Supply Group; and
 - e) The Covid-19 Vaccination Consumables and PPE Supplies Sub Group.

The Covid-19 Planning and Response Group

45. The Health and Social Services Group's Coronavirus Planning and Response Group ("Covid-19 Planning and Response Group") was established in February 2020 and was chaired by Samia Edmonds and vice-chaired by Gillian Richardson, Senior Professional Advisor to the CMO(W). This group reported to Andrew Goodall and Frank Atherton.
46. The Covid-19 Planning and Response Group brought together strategic representatives of the Health and Social Services Group, NHS in Wales and social care. Its role was to consider the latest Reasonable Worst-Case Scenario for Covid-19 risk assessment, co-ordinate contingency response planning across the Health and Social Services Group, share information and communications to raise awareness on contingency arrangements and actions and provide a forum for strategic discussion between key health, social care services and Welsh Government Health and Social Services Group officials. **M5HSSG/013 - INQ000083236** and **M5HSSG/014 - INQ000083237** outline the structure of the Covid-19 Planning and Response Group and its links to the wider organisation and externally.

47. The first meeting of the Covid-19 Planning and Response Group was held on 20 February 2020. Each of the local health boards provided a 'key issues' update for their area covering NHS and care services enabling Health and Social Services Group officials to have a good understanding of preparedness, system risks and issues, which included discussion on PPE supplies and guidance preparation. The Covid-19 Planning and Response Group remained active until it was stood down on 5 July 2022. It was a structure that provided a lot of valuable intelligence and as soon as significant risks emerged that required more dedicated input, specific Cells, such as the Health Countermeasures Cell, were added on to the structure. It acted to share experiences and assessment in collaboration with the healthcare system and to ensure proposed actions were as informed as possible.
48. The Inquiry has requested information on the 'PPE Cell' and 'PPE Supplies Cell'. These were shorthand terms sometimes used to describe the bodies above. There were no separate or formal groups with these names.

The Chief Nursing Officer and Chief Medical Officer

49. As set out in their respective statements **M5/CMOW/01** and **M5/CNOW/01**, the Chief Medical Officer and the Chief Nursing Officers were not involved in any of the contractual arrangements for healthcare equipment and supplies in Wales at any time. In Wales, that work was carried out by the NHS Wales Shared Services Partnership. The Chief Medical Officer and the Chief Nursing Officers had no involvement in spending controls, eliminating fraud, conflicts of interest, contractual performance of suppliers, compliance with public law procurement principles, the 'high priority lane', decisions around what to buy at what cost or disposal strategies and the existence of any maladministration.
50. For the purposes of Module 5, the role of the Chief Nursing Officer and the Nursing Directorate was largely limited to supporting the nursing profession in Wales to implement guidance on the use of PPE. Similarly, the role of the Chief Medical Officer for Wales and that of his Directorate in respect of the scope of Module 5 focused principally on disseminating guidance about the use of personal protective equipment.

The Critical Equipment Requirement Engineering Team (CERET)

51. The structure and the role of the Critical Equipment Requirement Engineering Team (also known as 'CERET') is outlined in the *Critical Equipment Requirement*

Engineering Team section at paragraphs 31 to 35 of the witness statement provided by Andrew Slade (**M5/WGCPD/01**), and in the separate Welsh Government witness statement of the Critical Equipment Requirement Engineering Team (**M5/CERET/01**).

Life Sciences Hub

52. The Life Sciences Hub Wales is an arm's length body of the Welsh Government constituted as a private company, limited by guarantee, and wholly owned by Welsh Ministers. It was set up in 2014 and works closely with, and receives funding from, the Welsh Government's health and economy policy business areas.
53. The structure and the role of the Life Sciences Hub is outlined in the *Life Sciences Hub* section at paragraphs 44 to 49 of Andrew Slade's statement (**M5/WGCPD/01**).

Applicable standards, guidance and codes of conduct and conflicts of interest

54. All civil servants within the Welsh Government are, and were during the relevant period, required to carry out their role following the Civil Service Code, exhibited at **M5HSSG/015 - INQ000066056**, which sets out the behaviour expected from all civil servants. The Welsh Government also has specific guidance for staff entitled 'Financial Dealings and Conflicts of Interest' which is exhibited at **M5HSSG/016 – INQ000507403**. The Welsh Ministerial Code, exhibited at **M5HSSG/017 – INQ000066055** provides guidance to Ministers and Deputy Ministers on the principles of ministerial conduct and the seven principles of public life: selflessness, integrity, objectivity, accountability, openness, honesty, and leadership
55. As noted above, the NHS Wales Shared Services Partnership operates in accordance with arrangements agreed between the NHS bodies in Wales which includes core principles which all the organisations and Shared Services must abide with when undertaking shared service functions, as set out in a Memorandum of Cooperation. The NHS Wales Shared Services Partnership is a committee of Velindre NHS Trust and as such its members and staff are also subject to the NHS trusts rules, guidance, codes of conduct and processes. All NHS trusts in Wales must also agree Standing Orders that, together with a set of Standing Financial Instructions and a scheme of decisions reserved to the Board, a scheme of delegations to officers and others, and a range of other framework documents, set out the arrangements

within which the Board, its Committees, Advisory Groups and NHS staff make decisions and carry out their activities. The Standing Orders should be based upon model Standing Orders provided by the Welsh Government.

56. The Standing Financial Instructions for Velindre NHS Trust note that the NHS Wales Shared Services Partnership Procurement Services shall, on behalf of the Trust, maintain detailed policies and procedures for all aspects of procurement including tendering and contracting processes. It further notes that all procurement guidance issued by the Welsh Ministers should have effect as if incorporated in the trust's Standing Financial Instructions.
57. In respect of contracts awarded by the NHS Wales Shared Services Partnership, any conflicts of interests would be monitored, recorded, declared and assessed by Shared Services itself. The Welsh Government requires all conflicts of interest for officials to be captured and recorded. If a Minister is required to make a funding decision which would fall within their constituency the Ministerial Advice would be sent to another Minister, usually the Minister for Finance, for a decision to avoid any conflicts of interest. As stated in the statement provided by Andrew Slade (**M5/WGCPD/01**), the Welsh Government does not hold information about contracts awarded during the pandemic where conflicts of interest were identified because this situation did not arise.

Ensuring the availability of sufficient PPE

58. The Inquiry has asked for the Health and Social Services Group's policy or strategy to ensure that there was sufficient PPE available across all health and care settings in Wales during the pandemic.
59. As described throughout this statement, the procurement of PPE during the pandemic was the responsibility of the NHS Wales Shared Services Partnership. The PPE Stock, Sourcing and Distribution Group and its successor groups provided support and assurance in respect of Shared Services' procurement activities and strategy, including the August 2020 NHS Wales Shared Services Partnership Procurement Services Winter Plan, exhibited at **M5HSSG/018 – INQ000271601**, and the September 2021 the NHS Wales Shared Services Partnership Procurement Services Long Term PPE strategy, exhibited at **M5HSSG/019 - INQ000438422**.

60. The Welsh Government is responsible for developing procurement policy in Wales for devolved public bodies operating in non-reserved areas. That responsibility is discharged by its Commercial & Procurement Directorate. The Welsh Government works with NHS bodies and local authorities to help them implement procurement policy.
61. The Welsh Government's approach to ensuring sufficient PPE was available across health and care settings is described throughout this statement and Andrew Slade's statement (**M5/WGCPD/01**). This includes:
- a) The '*legal and regulatory framework and Procurement Policy Notes*' section of **M5/WGCPD/01** describes and exhibits key documents in relation to Welsh public procurement policy, including Wales Procurement Policy Statements, Procurement Policy Notes and Procurement Advice Notes.
 - b) The '*role of the Health and Social Services Group*' section of this statement and the 'Governance structure' of **M5/WGCPD/01** describe the various Welsh Government PPE groups formed to inform and support PPE procurement decisions, including sourcing, distribution and policy implementation.
 - c) The '*PPE Meetings*' section of **M5/WGCPD/01** describes the various meetings and groups established to monitor stocks and supplies, exchange information, and raise and resolve emerging issues.
 - d) The '*Manufacturing within Wales and mutual aid*' section of **M5/WGCPD/01** describes the mutual aid system agreed between the four nations to facilitate assistance when needed.
 - e) The '*role of the Critical Equipment Requirement Engineering Team and the Life Sciences Hub*' section of this statement describes the role of the Critical Equipment Requirement Engineering Team in stimulating or increasing domestic manufacture of PPE and other key equipment and supplies, and the facilitating role of the Life Sciences Hub in handling enquires and offers of support from industry in relation to the Covid-19 pandemic. Further information is also provided in the separate statement of the Critical Equipment Requirement Engineering Team provided to the Inquiry by Richard (known as Dickie) Davis (**M5/CERET/01**).
 - f) The '*Provision to social care and community care sector*' section of **M5/WGCPD/01** describes the actions taken to identify possible solutions for the supply and distribution of PPE for the social care sector, work to support

the NHS Wales Shared Services Partnership's procurement and engagement with stakeholders from the sector.

The Pandemic Influenza Preparedness Stockpile

62. Before the pandemic, in collaboration with the UK Government Department of Health and Social Care, the Welsh Government maintained PPE stockpiles in accordance with emergency preparedness strategies and plans (primarily the Influenza Pandemic Preparedness Strategy), exhibit **M5HSSG/020 - INQ000144554** refers.
63. At the beginning of Covid-19, the Wales share of the UK health countermeasures stockpile was 4.78%, based on the Barnett formula. Where possible, Wales's proportion of health countermeasures is stored in Wales. This was the case before, during and after the pandemic period. With the exception of antivirals for primary care, all of the Wales share of the Just in Case pandemic influenza stockpile was held within Wales. The supplies are stored in a secure location owned by the Welsh Government and maintained under a Service Level Agreement with the NHS Wales Shared Services Partnership which was initially entered into in 2014 and updated from time to time. A copy of this agreement (as updated in 2019) is provided above in exhibit **M5HSSG/011 - INQ000177448** and outlines the arrangements for the storage, maintenance, distribution and reporting to the Health and Social Services Group on the stockpile. This arrangement ensured that the stocks could be made available quickly in the event of a pandemic. It also provided value for money benefits through reduced rental and maintenance costs. Due to the scale of countermeasures stock managed during the pandemic, additional storage facilities were also used.
64. The section titled *Prior to the pandemic (June 2009 to March 2020)* in Andrew Slade's statement (**M5/WGCPD/01**) sets out further details of the stockpile arrangements in Wales before the pandemic.

Release of PPE stockpiles

65. On 6 March 2020, before the World Health Organization declared Covid-19 to be a pandemic, advice was sent to the Minister for Health and Social Services seeking approval to release PPE to GPs and to the NHS in Wales and social care when required, which the Minister approved. Exhibit **M5HSSG/021 - INQ000298983** refers. Distribution of stock commenced almost immediately after approval was given.

66. At the Health Countermeasures Group meeting on 9 March 2020, it was confirmed to the group that the Minister had agreed to release PPE from the stockpiles. At that meeting a representative from the NHS Wales Shared Services Partnership confirmed which stock would be delivered and the dates it would be delivered to the local health boards. A note of the meeting is exhibited at **M5HSSG/022 - INQ000298993**.
67. Decisions around which locations, care settings, regions or localities would be prioritised were the responsibility of the NHS Wales Shared Services Partnership. Modelling work carried out for and by Shared Services in relation to PPE demand is described in the 'Modelling' section of this statement, below.

Distribution of PPE to care homes at the start of the pandemic

68. On 19 March 2020, Minister for Health and Social Services announced that the NHS Wales Shared Services Partnership was taking on an expanded role, securing and distributing the recommended PPE to all social care settings across Wales, utilising the network of Local Authority Joint Equipment Stores, exhibited at **M5HSSG/023 - INQ000383574**. This was formalised through a Service Level Agreement (SLA) between the NHS Wales Shared Services Partnership and the Welsh Local Government Association, exhibited at **M5HSSG/012 - INQ000436116**.
69. The Welsh Government's principal mechanism for liaison with the social care sector during the pandemic was the Social Care Planning and Response Subgroup (a subgroup of the Health and Social Services Covid-19 Planning and Response Group). Liaison with the care sector, along with the Welsh Government's wider relationships with Welsh local authorities, was effective in providing the Welsh Government with an understanding of demand at a high level, and enabled discussion of demand issues and supply pressures. This was in addition to the well-developed communication channels between the Welsh Government, Public Health Wales, local authorities, and the care sector, through which concerns about PPE supply could be raised, and action taken to address these concerns.
70. Further information on the provision of PPE to care homes is described in the *Provision to social care and community care sector* section in Andrew Slade's statement (**M5/WGCPD/01**).

Modelling

71. The NHS Wales Shared Services Partnership was responsible for gauging and modelling demand for PPE in Wales during the pandemic, and is best placed to provide detailed information in relation to how modelling was carried out, the assumptions and factors taken into account, any modelling estimates and reports produced, and whether and how modelling affected its buying strategy. The following is provided by way of high-level summary.
72. Initially, the NHS Wales Shared Services Partnership worked with NHS bodies to obtain information on local stocks and estimate short-term demand. Each health board had its own systems for projecting demand and managing stocks. Local authorities came together to try to work out the demand for care homes and domiciliary care, but this proved difficult and early estimates of demand quickly grew as guidance on the use of PPE changed.
73. The Welsh Government secured support from a military logistics team. They were asked to focus on Gwent because, given its geographical position, it was hit first and hardest in the first wave of the pandemic. It was also felt that lessons from Gwent could be quickly addressed in other health boards. The team reported on 2 April 2020 and recommended central Shared Services modelling of demand. That report, exhibited in **M5HSSG/024 - INQ000299126**, and the wider assistance provided by the military in relation to PPE during the pandemic is described in further detail in the corporate statement (**M5/CPD/01**).
74. With help from the NHS Wales Finance Delivery Unit, the NHS Wales Shared Services Partnership started to develop its working model, drawing on the rate of items being issued, and a reporting mechanism to track and report on orders and stock levels for PPE. Shared Services also obtained feedback and tested assumptions with NHS bodies. The Welsh Local Government Association and local authorities were also involved in developing the demand model for social care.
75. The NHS Wales Shared Services Partnership hired Deloitte in late April 2020 to review the modelling and suggest further improvements. Deloitte helped to develop a more detailed and formal supply and demand model, adding reporting functionality that Shared Services did not have the capacity to deliver. The modelling developed by Deloitte was not intended to identify all the stock held across the NHS in Wales or

the social care sector. Rather it was commissioned to ensure we had more accurate data on the growth in demand for PPE and how long the current stock identified and held would last, this enabled clear identification of risks and focus on key areas of sourcing. It essentially gave us a clear “burn rate” picture across all key categories of PPE.

76. The Inquiry has asked me if I agree with comments made by the Welsh Local Government Association that Wales did not gain an accurate reflection of the demand for key healthcare and protective equipment across the whole sector. I do not recognise that position and am unsure why the Welsh Local Government Association holds those views. It may well reflect the more fragmented approach within the social care sector and local government in general, but it would not be true of health. The Deloitte model was shared in some detail with local government leaders and officials and these concerns were not raised and in fact we were told they felt that it was a comprehensive model.
77. Ministerial Advice MA/VG/1387/20, dated April 2020 and exhibited at **M5HSSG/025 - INQ000222774** reported that:
- a) The NHS Wales Shared Services Partnership had established a centralised response team overseeing the national PPE requirements and coordination of communication, including all systematic data reporting, modelling, and demand/supply intelligence on a daily basis.
 - b) Shared Services commissioned Deloitte LLP to provide support in key areas of skills and resourcing over this period. The contract was let using a Crown Commercial Services consultancy framework.
 - c) Shared Services developed a working model to establish a high-level usage calculation of the need for PPE. This was based on daily PPE stocks and requests from across the local health boards and NHS trusts.
 - d) The Deloitte team worked under the direction of Shared Services’ management, to enhance their current team’s skills and to support Shared Services in:
 - i. The coordination of all available data sources to provide a comprehensive assessment of both current and future PPE supply.
 - ii. Development of intelligence and assessment processes to develop a comprehensive analysis of the demand for PPE.

- iii. The development of a process to track stock control mechanisms and key indicators based on a demand and supply assessment, the calculation of stock 'burn' rate, and key calculations on metrics.
78. I am asked if Deloitte predicted usage or just collated estimates provided by local authorities. As outlined above, Deloitte modelled growth in demand and "burn rate" (days remaining of PPE). This proved reasonably accurate as a model to identify the risks, focus the sourcing activity and decide what stock levels to hold to mitigate future potential risks.
79. The Deloitte model was formally transferred to the NHS Wales Shared Services Partnership on 29 May 2020. The model continued to be updated and reviewed in order to capture up to date demand assessment and variables that affected PPE demand.

Procurement processes

Contractual arrangements

80. The Inquiry has asked several questions relating to procurement contracts and related matters.
81. The procurement of PPE and key medical equipment and supplies was the responsibility of the NHS Wales Shared Services Partnership. Shared Services were therefore responsible for, and would hold details of:
- a) The use of direct awards, dynamic purchasing systems or framework agreements, and any changes in their use during the pandemic.
 - b) The drafting of contractual wording, including the drafting or use of any standard or template contracts for direct awards. The Health and Social Services Group did not require the NHS Wales Shared Services Partnership to include any standard terms in direct award contracts. Any standard terms in contracts with regard to default provisions, refunded payments, checking technical specifications of goods, consequences for late delivery of goods, consequences of misrepresentation, mechanisms for the increase or decrease of the volumes of goods ordered, an ability to end a contract, claw-back provisions or built in mid-point review clauses would have been written by Shared Services.
 - c) Direct award contracts which were agreed on terms which varied or did not adhere to the standard/template contract terms; the number of direct award

contracts which were purchase orders on suppliers standards terms; whether the majority of the contracts were in relation to one-off shipments of goods, or longer-term contracts envisaging several deliveries over a longer period of time and the extent of the use of advance payments.

- d) The management of contracts once awarded.
- e) The publishing of contract award notices within the required period.
- f) The total procurement spend.
- g) Processes and protocols in respect of:
 - i. procurement regulations;
 - ii. transparency;
 - iii. financial due diligence in respect of prospective contractors;
 - iv. anti-fraud measures;
 - v. quality control for items delivered;
 - vi. compliance with both health and safety and health and medical devices regulations; and
 - vii. value for money for the taxpayer.

82. The procurement of lateral flow devices and increasing PCR testing infrastructure and consumables was predominantly undertaken by the UK Government on a four nations approach under the UK Testing Programme arrangements. The UK Government was therefore responsible and would similarly hold details of the matters listed above in respect of this procurement.

83. The Health and Social Services Group, the Life Sciences Hub and the various Welsh Government PPE groups referred to earlier in this statement did not carry out procurement in respect of PPE, ventilators, oxygen, or other key healthcare equipment or supplies – nor did they set up any workstreams, teams or projects to directly procure, manufacture, buy or distribute such items

84. Procurement carried out by the Critical Equipment Requirement Engineering Team, which was not part of the Health and Services Group, was limited to a single instance for a number of component parts for Continuous Positive Airway Pressure (CPAP) respiratory devices which a company was developing. This required upfront funding to prototype, demonstrate and test before full procurement. The Critical Equipment

Requirement Engineering Team spent approximately £565,000 on component parts for CPAP machines. However, in the event the predicted volume peaks did not materialise and the CPAP was not ultimately required; components that had been purchased ahead of requirement, given the urgency of the situation, were disposed of. After efforts to sell the items, the assets were disposed of under the authority of MA/VG/1333/22 dated 27 July 2022 which is exhibited at **M5HSSG/026 - INQ000321204**. Further details are provided in **M5/CERET/01**.

85. The Inquiry has asked about the involvement of the Health and Social Services Group in the negotiation of contracts from abroad. Whilst shipments of PPE and health supplies were received in Wales from countries including Cambodia and China, the negotiation of contracts was carried out by the NHS Wales Shared Services Partnership.

Spending controls

86. As set out in further detail in the '*Governance and spending controls*' section of **WGCPD/01**, the Welsh Government has long established and well embedded governance and accountability frameworks with the NHS. These remained in place throughout the pandemic.
87. While recognising the importance of timely decision making, the then Director General of the Health and Social Services Group, set out in a letter to NHS bodies on 30 March 2020, exhibit **M5HSSG/027 - INQ000182437** refers, that he still expected good governance around spending decisions.
88. The letter and subsequent guidance, exhibited in **M5HSSG/028 - INQ000336746**, recognised the need to adapt arrangements on an interim basis and included guidance on financial management and reporting, including expectations around clarity on delegating authority for decision making and recording decisions and the supporting rationale.
89. In agreeing to allocate funding to the NHS, the Welsh Government also recognised the nature of the supply chain challenges at the time meant that the NHS Wales Shared Services Partnership would, at times, need to agree to significant advance payment terms of between 50-100%. The decision to approve a higher advance payment rate was based on the need of the NHS Wales Shared Services Partnership to procure essential key healthcare equipment and supplies at pace to ensure the

NHS in Wales did not run out. These levels are above what would normally be considered 'prepayments up to a modest limit' in line with *Managing Welsh Public Money* requirements, exhibited at **M5HSSG/029 - INQ000116472**.

90. Prior to approving this change, I asked Steve Elliot, Deputy Director of Finance in the Health and Social Services Group, to seek advice from the Corporate Governance Unit as well as the Director of Finance and Director of Governance in the Welsh Government. An email from the Corporate Governance Unit setting out the approach with regard to advance payments when contracting for the supply of essential equipment is exhibited at **M5HSSG/030 - INQ000507394**.
91. Following this email, on 17 April 2020, Gawain Evans, the Welsh Government's Director of Finance, and David Richards, the Welsh Government's Director of Governance jointly issued a letter to Andrew Goodall, Director General, Health and Social Services, which I was a copy recipient of. The letter is exhibited at **M5HSSG/031 - INQ000521018**.
92. In the letter, the Director of Finance and Director of Governance agreed that for the period of the current Covid-19 crisis it would be acceptable "to authorise NHS organisations to agree contract terms where significant payment in advance is required."
93. With regard to mitigating the risk of non-performance or fraud, the letter advised that "where possible NHS bodies continue to check the legitimacy and viability of any private sector organisation being paid in advance." As set out later in paragraph 103, the NHS Wales Shared Services Partnership had robust governance and assurance arrangements in place through its financial governance group.
94. The Director General for Health and Social Services subsequently notified me of the need to approve such payment terms in these circumstances. We agreed that this was in line with the guidance issued by the Permanent Secretary in her capacity as Principal Accounting Officer (PAO), exhibited at **M5HSSG/032 - INQ000182408**, which outlined a need to accept an increased risk appetite across the Welsh Government during the crisis, albeit in a selective and managed way and with due regard to Value for Money.

95. The decision to change the guidance was ultimately taken by the Director General for Health and Social Services in accordance with the guidance issued by the Permanent Secretary, exhibited above.
96. Between April 2020 and March 2022, the total resource allocation for PPE from the Welsh Government to the NHS for the financial years 2020-21 and 2021-22 was £251.434 million.

Authorisation for high levels of spending

Before the pandemic

97. All local health board contracts which have a total value more than £1 million require the Welsh Government's approval. In 2009, the former Chief Executive NHS Wales issued a Revised General Consent by way of a letter to all local health board Chief Executives, which provided consent for them to enter individual contracts up to the value of £1 million with the exception, as outlined in exhibit **M5HSSG/033 - INQ000477066**, of:
- a) Contracts of employment between local health boards and their staff
 - b) Transfers of land or contracts effected by Statutory Instrument following the creation of local health boards
 - c) Out of Hours contracts; and
 - d) All NHS contracts, that is where one health service body contracts with another health service body.
98. All contracts exceeding this delegated limit, all acquisitions and disposals of land of any limit, and the acceptance of gifts of property, must receive the written approval of the Welsh Government before being entered into. Factors taken into account in granting approval include value for money, national strategy and an assessment of the trading record of the potential contractor.
99. From January 2017, the then Cabinet Secretary delegated authority to the Director General to approve local health board contracts.
100. NHS trust-led contracts do not require Welsh Government approval, but they are "noted" by the Deputy Director of Finance of the Welsh Government Health and

Social Services Group. However, NHS trusts in Wales must agree Standing Financial Instructions (SFIs) for the regulation of their financial proceedings and business. Exhibit **M5HSSG/034 - INQ000505293** refers.

During the pandemic

101. The spending controls process was maintained throughout the Covid 19 period. To ensure propriety, all local health board contracts over £1 million were still required to be submitted to the Welsh Government for approval before their award. This threshold did not change during the pandemic. Submission for approval was completed via a Local Health Board Application Form (managed and submitted by the NHS Wales Shared Services Partnership) to provide notification to the Welsh Ministers of intent to enter into contracts over £1 million. An example can be found at exhibit **M5HSSG/035 - INQ000507393**.

102. In April 2020, it was agreed that the NHS Wales Shared Services Partnership could submit contract award requests in a summarised form directly to the Health and Social Services Group Deputy Director for Finance, who then consulted the Health and Social Services Group Director General to obtain his consent before the award. The decision to approve consent was based on the information provided by the Shared Services Partnership and was made at the discretion of the Director General. His approval was given via email as exhibited at **M5HSSG/036 - INQ000505082**. The Local Health Board Application Forms were then submitted by the NHS Wales Shared Services Partnership Procurement Services, all of which were subject to audit inspection by Audit Wales.

103. The standard approach, with full briefing per submission was reverted to in mid-July 2020.

NHS Contracts Briefings received by Welsh Government in 2020 and 2021

104. During the 2020 calendar year, the Welsh Government received 131 contract briefing requests, 109 of which related to contracts valued in excess of £1 million. Of those 109:

- a) 36 were “approved” (being local health board contract award briefings); and
- b) 73 were “noted” (being local health board contract tender briefings and trust tender/contract award briefings).

105. Of those above, the number specific to PPE and associated PPE and other key healthcare equipment were as follows:

- a) Masks – 5
- b) Gowns – 1
- c) Goggles – 1
- d) Hand Sanitiser Kits – 1
- e) Covid Test Kits – 1
- f) Ventilators and Associated Items – 3
- g) Beds/Critical Care Beds – 4
- h) Pumps (Syringe and Perfusor) – 2

106. During the 2021 calendar year, the Welsh Government received 196 contract briefing requests, of which 158 had a value in excess of £1 million. Of those 158:

- a) 32 were “approved” (being local health board contract award briefings); and
- b) 126 were “noted” (being local health board contract tender briefings and trust tender/contract award briefings).

107. As the NHS Wales Shared Services Partnership is responsible for contract monitoring, they would hold the information of whether and how many contracts were terminated for non-performance or any other reason.

Spending controls in relation to the Health and Social Services Group and the Critical Equipment Requirement Engineering Team

108. The Inquiry has asked whether the Health and Social Services Group or the Critical Equipment Requirement Engineering Team were subject to any spending controls or financial accountability in respect of other procurement projects in relation to key equipment and supplies during the pandemic.

109. As noted in this statement, the Health and Social Services Group did not carry out procurement. With regards to the Critical Equipment Requirement Engineering Team, which is not part of the Health and Social Services Group, the Team had delegated authority to utilise a £5 million budget held by the Thematic Division of the Welsh Government which was approved by the Minister for the Economy pursuant to **M5HSSG/037 - INQ000145345**. Dickie Davis (a Deputy Director for the Industrial Transformation Division at the Welsh Government) had the necessary authority to

authorise expenditure up to £2 million. All spending followed the Welsh Government's protocols which meant that where forecast spend was in excess of £25,000 a risk register was created for each proposed purchase order. Further information on the spending controls and the thresholds for scrutiny as regards the Critical Equipment Requirement Engineering Team are set out in the statement of the Critical Equipment Requirement Engineering Team provided to the Inquiry by Richard (known as Dickie) Davis (**M5/CERET/01**).

110. For completeness, the Welsh Government's wider governance and accountability frameworks including spending controls, which both the Health and Social Services Group and the Critical Equipment Requirement Engineering Team were subject to, are set out in the statement of Andrew Slade (**M5/WGCPD/01**).

Procurement activities of the NHS Wales Shared Services Partnership during the pandemic

111. The Health and Social Services Group provided support and assurance to, and was in regular contact with, the NHS Wales Shared Services Partnership with regard to the procurement of key healthcare supplies during the pandemic.
112. At the outset of the pandemic, the NHS Wales Shared Services Partnership established enhanced governance arrangements to ensure the contracts it was placing for PPE and other items were subject to appropriate review and scrutiny. This included the establishment of a financial governance group to advise the Velindre NHS Trust board, as the host organisation for Shared Services, on the letting of contracts. The governance group included senior representatives from audit, finance, counter-fraud, legal and risk.
113. The NHS Wales Shared Services Partnership's Surgical Materials Testing Laboratory ensured that PPE and other items provided met technical and quality standards through the provision of medical device testing and technical services regarding medical devices to the Welsh NHS, and had processes in place to identify non-compliant medical grade PPE.
114. As outlined in the *Distribution* section of the **M5/WGCPD/01** statement, a report produced by the military, titled "Welsh Government PPE Distribution Military

Assessment Team (Mat) Report” recommended that the NHS Wales Shared Services Partnership should work alongside the NHS and social care bodies to maintain an up-to-date information system that provided timely data on local and national stocks of PPE. The recommendation led to the Finance Delivery Unit within the NHS in Wales developing a reporting mechanism to track orders and stock levels of PPE in Wales. Deloitte was commissioned by Shared Services in April 2020 to review the tool, test its robustness and enhance it, where possible, to ensure the final product provided an effective dashboard for monitoring and reporting purposes.

115. Following the development of the reporting mechanism, the NHS Wales Shared Services Partnership produced a dashboard on a weekly basis, including reports on the stock position and the forward order pipeline for PPE, an example is exhibited at **M5HSSG/038 - INQ000198407**. This information was provided to a variety of stakeholders, including the Welsh Government.
116. The NHS Wales Shared Services Partnership monitored and reported on a daily basis the number of PPE items issued, current stock, and orders in place through central procurement and reported back to the Health and Social Services Group via the numerous groups it sat on, such as the PPE Procurement and Supply Group and the Covid-19 Vaccination Consumables and PPE Supplies Sub Group. Further detail on these groups is outlined above in this statement and in **M5/WGCPD/01**.
117. In addition, as referred to above, all local health board contracts in excess of £1 million were submitted to the Welsh Government for approval in line with the requirements of the NHS Wales Act 2006. All Trust led contracts with a value of £1 million are submitted to the Welsh Government “To Note”, not approve.
118. From April 2020, the First Minister chaired a PPE meeting with relevant Ministers and Welsh Government officials to monitor stocks and supplies and review the latest Shared Services dashboard which highlighted supply and demand of PPE. The meetings were an opportunity both to brief Ministers on the current position and the action being taken to ensure adequate sourcing and distribution, and for Ministers to question and challenge current plans and performance.
119. Briefings highlighting PPE provision were also provided to the First Minister between April and March 2022. These provided regular updates of PPE stock and supply

position, including details of how many items of PPE had been issued to the health and social care system as well as a breakdown by item. These briefings have all been disclosed to the Inquiry.

Domestic manufacture of PPE, ventilators and key medical equipment and supplies in Wales

The role of the Critical Equipment Requirement Engineering Team and the Life Sciences Hub

120. Responsibility for stimulating or increasing domestic manufacture of PPE and other key equipment and supplies was the responsibility of the Critical Equipment Requirement Engineering Team. Civil servants from the Health and Social Services Group were part of the Critical Equipment Requirement Engineering Team alongside external colleagues from the NHS Wales Shared Services Partnership and the Life Sciences Hub. In its capacity as a member of the Critical Equipment Requirement Engineering Team, the Life Sciences Hub handled enquires and offers of support from industry in relation to the Covid-19 pandemic.

121. The focus for the Critical Equipment Requirement Engineering Team was on supporting industry to be able to provide critical PPE and healthcare supplies. A member of the innovation team within Welsh Government attended the Critical Equipment Requirement Engineering Team meetings and would update on what academic institutions were doing to develop new innovations to support the response to the pandemic. However, any direct financial support for those institutions was provided by the innovation team rather than the Critical Equipment Requirement Engineering Team directly. The Critical Equipment Requirement Engineering Team would instead provide an advisory function in providing guidance to businesses and organisations in Wales on the steps to be taken to enable its products to reach the market. Whilst the Critical Equipment Requirement Engineering Team was not generally involved in indirect procurement, it was however involved in the direct procurement of components for a Continuous Positive Airway Pressure (CPAP) device and the purchase of materials to enable volunteers to make scrubs for the NHS in Wales.

122. Further information on the role of the Critical Equipment Requirement Engineering Team, and team members of the Critical Equipment Requirement Engineering Team

(including the Life Sciences Hub) is set out in the statement of the Critical Equipment Requirement Engineering Team provided to the Inquiry by Dickie Davis (**M5/CERET/01**).

Academic Partners

123. The Inquiry has asked for details of the involvement of the University of Swansea and other research or academic institutions in assisting in Wales-based manufacture of PPE and other key medical equipment and supplies during the pandemic. These matters are addressed in the statement of the Critical Equipment Requirement Engineering Team witness statement (**M5/CERET/01**).

Wales-based companies and manufacturers

124. The Inquiry has asked how many Wales-based companies or manufacturers began to produce PPE and other key medical equipment and supplies during the pandemic with the support of the Health and Social Services Group or the Welsh Government.

125. The Health and Social Services did not provide such support; this was the role of the Critical Equipment Requirement Engineering Team, which did provide considerable support during the pandemic. Over 30 companies repurposed production lines to produce hand sanitiser. 25 companies repurposed production lines to make face visors. 30 companies provided decontamination solutions for surfaces. Nine companies invested in machinery to produce clinical grade face masks and coverings; five of these were capable of mass production. The Welsh Government estimates that, in total, 400 jobs were created because of this commercial activity. In addition, 189 community volunteers made over 5000 sets of scrubs. Further information on the support provided by the Critical Equipment Requirement Engineering Team is set out in the statement of the Critical Equipment Requirement Engineering Team (**M5/CERET/01**). That statement also includes further information about the support provided by the Innovation Team within the Welsh Government.

126. The Minister for Economy, Transport and North Wales, Ken Skates MS, wrote to Assembly Members on 27 April 2020 providing details of the response from Welsh companies to the coronavirus outbreak and to the First Minister's call to action to support the manufacture of personal protective equipment (PPE) in Wales. Exhibit **M5HSSG/039 - INQ000507414** refers.

Contract arrangements and processes in relation to domestic manufacturers

127. Once a suitable manufacturer was identified by the Critical Equipment Requirement Engineering Team, the details would be passed to the NHS Wales Shared Services Partnership. All contracts for the supply of PPE were then awarded by Shared Services.
128. To process requirements the Critical Equipment Requirement Engineering Team used the Business Wales Web Portal to ensure that enquiries were treated fairly. The portal set out detailed requirements for businesses. If a business felt it could help it would submit an expression of interest via the portal. The Life Sciences Hub would triage the expressions and assess them. If products needed testing (such as respirators, surgical masks and hand sanitisers) their testing certification was reviewed by the Surgical Materials Testing Laboratory. If products passed the testing, offers of supply were forwarded to the NHS Wales Shared Services Partnership.
129. Full details of the process used to attract suppliers and triage offers of supply can be found in the Critical Equipment Requirement Engineering Team witness statement (**M5/CERET/01**).
130. Once offers of supply had been passed to the NHS Wales Shared Services Partnership, they would have followed their own governance arrangements to ensure value for money and any financial due diligence checks were carried out. As contracts were awarded by Shared Services it would have adhered to its own processes and guidance with regard to conflicts of interest.
131. Information regarding the number of contracts awarded to 'new' manufacturers and whether and how many were terminated would be held by Shared Services as the body responsible for procurement and awarding the contracts. Similarly, Shared Services would hold information about the comparative cost of PPE manufactured in Wales compared to the cost of PPE imported from abroad.
132. The inquiry has asked how many contracts ended in litigation. No PPE cases were referred to the Welsh Government's Head of Counter Fraud during the pandemic and no reports were made in respect of suspected or attempted fraudulent attempts to secure PPE contracts. There were also no cases of suspected PPE fraud reported to the police or prosecution authorities by any Welsh Government department or any convictions in relation to PPE fraud in Wales. It is considered this was largely due to the joint processes involving the Commercial & Procurement Directorate, the Life Sciences Hub and the Surgical Materials Testing Laboratory rejecting many

submissions. With regard to civil litigation, such as contractual disputes seeking to recoup some value of the contracts, as the body responsible for awarding contracts for PPE and healthcare supplies, the NHS Wales Shared Services Partnership would hold details of any civil actions brought in respect of these contracts.

133. The Inquiry has asked about the comparative cost of PPE manufactured in Wales compared to the cost of PPE imported from abroad, both during the pandemic and at present. This information would be held by the NHS Wales Shared Services Partnership as the body responsible for procurement.

134. I have been asked if the Welsh Government has carried out a price comparison in relation to the comparative cost of PPE manufactured in Wales compared to the cost of PPE imported from abroad as part of plans in the case of a future pandemic. As I left the Welsh Government in June 2021 I have not been part of any planning for future pandemics but I understand that price comparison of PPE would be standard practice for the NHS Wales Shared Services Partnership in any procurement that they undertake.

135. The Inquiry has also asked for total investment in stimulating Welsh manufacture of PPE and other key medical equipment and supplies. The Minister for Economy, Transport and North Wales authorised up to £5 million from the Business and Regions Budget to support the NHS in sourcing new suppliers where existing provision was insufficient, to help develop and manufacture new products and to secure components, raw materials and services to meet the needs of the pandemic response. The Ministerial Advice is exhibited at **M5HSSG/040 - INQ000145345**. Of this funding, approximately £656,000 was spent mainly on components for Continuous Positive Airway Pressure (CPAP) respiratory devices and the balance on PPE, with further information set out in the Critical Equipment Requirement Engineering Team witness statement (**M5/CERET/01**).

Procurement of PPE for key industries with significant overlap with the health sector

136. The Inquiry has asked about the procurement of PPE during the pandemic for the use of:

- a) the death management sector (such as funeral directors, those involved in collection and disposal of bodies);
- b) contractors who carried out NHS functions (such as private ambulance service providers, agency nurses, locum doctors and healthcare assistants who worked as contractors rather than being directly employed by the NHS); and/or

- c) contractors who carried out non-healthcare roles but worked within hospital or healthcare settings such as cleaners and security staff.

137. In relation to the death management sector, PPE and body bags were available to funeral directors from the central stockpile if they were experiencing problems securing such equipment through normal channels. This distribution from the stockpile was managed by the NHS Wales Shared Services Partnership to Local Authority Joint Equipment stores and on to funeral directors under Local Resilience Forums arrangements.

138. In relation to the contractors referred to at (b) and (c) above, the NHS Wales Shared Services Partnership was responsible for the procurement of PPE within healthcare settings. This would have included PPE for all staff within such settings, regardless of whether they were locum, permanent, agency workers, contractors, or directly employed. It also included staff in non-healthcare roles such as cleaners and security staff.

Reusable PPE

139. The Critical Equipment Requirement Engineering Team carried out work in relation to materials for reusable gowns and reusable masks, further details of which are set out in the Critical Equipment Requirement Engineering Team statement (M5/CERET/01).

140. Funding was also made available from the Circular Economy Fund, from the Resource Efficiency & Circular Economy Division's budget, to support the production of reusable PPE during the pandemic, exhibited at **M5HSSG/041 - INQ000367252** refers. However, no applications for funding were received.

141. I have been asked if the Welsh Government intends to pursue re-usable PPE as part of its future pandemic preparedness. As I left the Welsh Government in June 2021 I have not been part of any future pandemic preparedness but I understand the Welsh Government is currently reviewing the PPE stockpile and providing advice to the Cabinet Secretary. The advice will be that the product list should be based on the recommendations provided by experts from the New and Emerging Respiratory Virus

Threats Advisory Group (NERVTAG) which fed into the UK wide countermeasures review.

142. Information on the number and costs of any contracts for reusable PPE would be held by the NHS Wales Shared Services Partnership. However, the Health and Social Services Group is not aware of any contracts for reusable PPE in Wales.

Technical standards and requirements for PPE and ventilators

143. The 'legal and regulatory framework and Procurement Policy Notes' section of Andrew Slade's statement (**M5/WGCPD/01**) describes the regulatory framework applicable to the procurement of PPE during the pandemic.

144. The NHS Wales Shared Services Partnership was responsible for providing assurance to the Welsh Government on quality and safety issues and it was the Surgical Materials Testing Laboratory within the NHS Wales Shared Services Partnership which was responsible for monitoring technical standards.

145. The Health and Social Services Group had no role or involvement in specifying, or instigating changes to, the technical standards, quality control or safety testing of PPE or ventilator equipment during the pandemic. Nor did the Health and Social Services Group send instructions to the NHS Wales Shared Services Partnership regarding technical standards, quality assurance testing or regulations.

146. The PPE Procurement and Supply group was the forum used by the Health and Social Services Group and Shared Services to update and advise of any change in technical specification or regulations in relation to PPE sourced nationally and internationally.

147. In May 2020, the Health and Safety Executive (HSE) wrote to the Welsh Government to confirm what arrangements were in place to ensure that PPE being sent to healthcare settings met the required standards. The Welsh Government responded stating that:

- a) The Welsh Government was supporting industry and universities across Wales to work closely and collaboratively with the NHS as it responded to Covid-19.

There were structured, accelerated processes in place to support new ideas, research and commercial offers of support for promising new equipment and products. The Life Sciences Hub Wales was appraising all offers of help and highlighting health and safety guidelines, certifications and regulatory standards which must be considered in the manufacturing processes of PPE and medical devices to all potential suppliers.

- b) Products and devices were then assessed by the Surgical Materials Testing Laboratory, part of the NHS Wales Shared Services Partnership. For some products, the Surgical Materials Testing Laboratory performed testing to various international standards, but for most of the submissions to the NHS in Wales, they usually assessed document submissions against PPE, medical device or biocide regulations and specifications. This included the PPE easements documented in the UK Government Office for Product Safety and Standards PPE Guidance, derogations available from the Medicines and Healthcare products Regulatory Agency, and UK Government PPE specifications. The Surgical Materials Testing Laboratory liaised with the main UK regulators to support Shared Services' procurement work.
- c) The European Commission, Office for Product Safety and Standards and UK regulators had confirmed that PPE for use in Covid 19 pandemic would be categorised and CE marked as Category II or Category III devices under the PPE regulations. The evidence required to legally sell or donate such PPE was either full CE marking to the PPE regulations, an approval letter from the Notified Body under the easements, or approval from the Cross Government Decision Making Committee. The Office for Product Safety and Standards published clear guidance which explained the options available for manufacturers and suppliers.
- d) The Surgical Materials and Testing Laboratory provided a report to the NHS Wales Shared Services Partnership Procurement detailing the types of documents which had been assessed, the veracity of the documents, whether they demonstrated compliance with standards and regulations, and whether further documentation was required. This report was used to inform any decision to purchase the PPE by the NHS Wales Shared Services Partnership Procurement.
- e) The same assessment process was followed for PPE sourced nationally or internationally by the NHS Wales Shared Services Partnership.

148. This correspondence is exhibited in **M5HSSG/042 - INQ000507397**.

Regulatory easement in respect of Regulation (EU) 2016/425

149. The Inquiry has asked for details of any regulatory easement in respect of PPE in Wales. There was a single instance of regulatory easement which was in relation to Regulation (EU) 2016/425. This did not alter technical standards but facilitated the supply of PPE to the market.
150. Regulation (EU) 2016/425 required that certain kinds of PPE must be conformity assessed before they could be placed on the market and certified by a conformity assessment body – this is the CE mark on goods and products. In March 2020, in accordance with EU Commission Recommendation 2020/403, the UK Department of Business, Energy and Industrial Strategy implemented two temporary arrangements (also referred to as easements) which eased the regulatory requirements for conformity assessment for certain categories of PPE for a limited time, in order to increase the supply of essential Covid-19-related PPE on the UK market generally, and for healthcare workers in particular. These temporary arrangements allowed:
- a) In relation to procurement for the NHS (health care workers): where the Health and Safety Executive checked essential health and safety requirements were met (rather than a Conformity Assessment Body undertaking full conformity assessment), no CE or UKCA mark was required.
 - b) In relation to PPE destined for the Great British market in any sector: if the Health and Safety Executive had checked for essential health and safety requirements and the Conformity Assessment Body process had begun, then the process and associated marking did not have to have been completed at the time the product was placed on the market, so long as it followed soon after.
151. The UK Government identified that, when the EU exit transition period came to an end on 31 December 2020, domestic regulations were required to provide legal clarity on the ongoing use of the easements in the UK after that date and to ensure that use of the easements could be brought to an end when appropriate. The UK Government shared plans for legislation to extend the easements in respect of England.
152. A new statutory instrument was drafted for implementation in Wales, The Personal Protective Equipment (Temporary Arrangements) (Coronavirus) (Wales) Regulations 2020, exhibited in **M5HSSG/043 - INQ000507411**. This mirrored English legislation to facilitate the procurement of PPE in Wales for use both within the NHS and outside.

The Ministerial Advice explaining the background and the reasons for introducing the regulations is exhibited at **M5HSSG/044 - INQ000144940**. This noted that, while PPE procurement and distribution remained stable in Wales, the availability of the easements provided a useful contingency for PPE Covid-19 supply chains in what continued to be a very uncertain and challenging global market, and the fixed term extension of the easements to April and July 2021 respectively, provided greater clarity to the market and would limit the practical use of the easements as intended to the needs associated with the pandemic.

Ventilators

153. Decisions regarding ventilator use for individual patients were the responsibility of local health boards. During the pandemic, the Health and Social Services Group worked with the Wales Critical Care and Trauma Network ("WCCTN") and the Welsh Intensive Care Society ("WISC"), who jointly issued guidance to health boards in March 2020. The guidance, exhibited in **M5HSSG/045 - INQ000226944**, noted that health boards would need to make decisions regarding the expansion of critical care facilities including using ventilators not originally specified for critical care use, the redeployment of non-critical care staff to care for ventilated patients, and early identification of patients whose care would not be escalated to ventilation.
154. There were no incidents, as far as the Health and Social Services Group is aware, in relation to the availability of ventilators during the pandemic period. At the start of the pandemic, the NHS in Wales had 415 ventilators in Welsh hospitals which could provide invasive ventilation. There were a further 349 anaesthetic machines with ventilator capacity and 207 non-invasive ventilators. During 2020 an additional 1,238 ventilators and 713 Continuous Positive Airway Pressure ("CPAP") machines were procured by the NHS Wales Shared Services Partnership and through UK arrangements. At no point during the pandemic was the functional capacity of ventilators or related equipment exceeded in Wales.
155. The Health and Social Services Group is not aware of any issues raised regarding the quality, safety, appropriateness or effectiveness of any ventilators or related medical equipment and supplies in Wales during the pandemic.

Communication with representative bodies

156. The Welsh Government has well established working relationships and engagement with stakeholders and trade unions such as the British Medical Association Cymru and the Royal College of Nursing (RCN). The '*Communication with NHS and nursing and doctors' associations during the pandemic*' section of **M5/CPD/01** describes the ways various members of the Health and Social Services Group liaised with representative bodies of frontline health and social care workers regarding PPE.
157. This included through the Welsh Partnership Forum Business Committee which includes representatives from the British Medical Association Cymru, the Royal College of Nursing, UNITE, and UNISON.
158. Technical PPE briefings for representative bodies were also held weekly from 28 April 2020 until 30 June 2020 and provided an opportunity for unions to talk directly to the NHS Wales Shared Services Partnership and Welsh Government officials about any issues around PPE including distribution and supply. Those attending were able to feed in their views regarding distribution of PPE, monitoring the quality of PPE, demand for PPE, the needs of all groups of staff, and the workability or safety of Infection Prevention and Control guidance. Representatives from Shared Services and Public Health Wales also attended the briefings and were able to answer any questions regarding their areas of responsibility and feed views back to their organisations.
159. Various issues were raised by various routes at different stages of the pandemic including the quality and expiry dates of the pandemic flu stock; a desire for goggles despite them not featuring in UK Covid-19 Infection Prevention and Control guidance; a request for different size masks and gowns for better fit, and a desire for FFP2 and FFP3 masks over and above the surgical masks recommended by the Infection Prevention and Control guidance. To address these questions, the Welsh Government referred to the UK Infection Prevention and Control guidance and sought advice from Public Health Wales. Some issues, such as airborne spread and the need for FFP3 masks, were discussed at UK level.

160. The Chief Nursing Officer for Wales and the Chief Medical Officer for Wales also outline their interactions with representative bodies of frontline workers in their respective statements, **M5/CNOW/01** and **M5/CMOW/01**.

Communication with local authorities and the care sector

161. On 16 March 2020 the Health Countermeasures Group agreed that the NHS Wales Shared Services Partnership would provide social care with a supply of PPE from a central contingency supply and on 19 March 2020, the Minister for Health and Social Services announced that Shared Services' remit was expanded to procure and supply PPE to social care settings in Wales. The statement is exhibited in **M5HSSG/046 - INQ000252549**.

162. The Inquiry has asked how the 2014 'Wales Health and Social Care Influenza Pandemic Preparedness and Response Guidance', which required organisations to have in place stocks that would last for seven days, affected the deployment of the stockpile and arrangements for the distribution of PPE to the care sector and across local health boards. The pandemic influenza stockpile of PPE was crucial during the first four months of the Covid-19 response and gained time to enable the NHS Wales Shared Services Partnership to successfully secure ongoing PPE supplies. Shared Services initially distributed stock from the stockpile, issuing standard packs of available stock to providers based on a broad estimate of needs. Shared Services will be able to advise the inquiry on specific details of how distribution of the stockpile was organised, and the effect of the 2014 guidance.

163. A detailed account of how PPE was provided to the care sector is described in the section *Provision to social care and community care sector* in **M5/CPD/01**. This includes actions taken to assist the care sector in accessing PPE in the early days of the pandemic and the response to concerns raised by local authorities in March 2020 about insufficient supplies of PPE.

Distribution

164. As described in greater detail in the '*Distribution*' section of **M5/CPD/01**, the distribution of healthcare equipment, supplies and PPE was organised through the NHS Wales Shared Services Partnership. In relation to PPE procured for the social care sector, this was distributed by Shared Services to local authorities for onward distribution to the social care sector. Each local authority implemented its own arrangements for further onward distribution. No other bodies, departments, contractors or subcontractors were tasked by the Welsh Government with distributing PPE across health and care settings in Wales.
165. The NHS Wales Shared Services Partnership initially distributed stock from the Pandemic Influenza Preparedness Programme stockpile, issuing standard packs of available stock to providers based on a broad estimate of needs. Shared Services will be able to advise the inquiry on specific details of how the distribution of stocks was organised, contractual arrangements in place and how performance was monitored. It will also be able to provide information on any delays to distribution of the stocks it distributed.

Military assistance

166. The '*Distribution*' section of **M5/CPD/01** also describes the involvement of the military in the distribution of PPE and other healthcare equipment which commenced in April 2020. This included them carrying out an assessment and producing a Military Assessment Team (MAT) Report which highlighted procurement and logistical supply advice to the Welsh Government to ensure PPE resources and PPE sourcing processes were optimised. As a result of the report, further work was undertaken by the military, which was agreed by Dr Andrew Goodall, Chief Executive NHS Wales and Director General for Health and Social Services Group, that resulted in the military reviewing the storage and distribution arrangements of local health boards and local authorities, through their Joint Equipment Stores. This enabled a complete picture of the PPE situation across Wales to be drawn. This work is also detailed in **M5/CPD/01** under the section *Supply of PPE to social care sector from April 2020*.

167. Training on PPE distribution capability was delivered by the Regiment Royal Logistic Corps between 2 to 15 June 2020 across the seven health boards. A report summarising the training and recommending the training be continued by the NHS Wales Shared Services Partnership is exhibited at **M5HSSG/047 - INQ000470719**.

PPE Hotline

168. The Inquiry has asked for details of the 'PPE hotline'. No PPE hotline was established in Wales.

Infection, prevention and control guidance

169. The Infection, Prevention and Control guidance that was in place across the NHS and the social care sector in Wales during the pandemic was the UK COVID-19 Infection Prevention and Control (IPC) guidance, which was developed on a four nations basis by the Department for Health and Social Care, Public Health Wales, the Public Health Agency (Northern Ireland), Public Health Scotland, Public Health England (later the UK Health Security Agency) and NHS England – jointly referred to as the 'UK IPC Cell'.

170. The UK IPC Cell was set up in January 2020 and Wales's involvement was led throughout by Public Health Wales. The Welsh representative on the Cell was Dr Eleri Davies, Head of Healthcare Associated Infection, Antimicrobial Resistance and Prescribing Programme ("HARP") at Public Health Wales who initially sat as a member of the Infection, Prevention and Control Cell and then subsequently chaired the Cell.

171. Dr Eleri Davies was also a member of the Nosocomial Transmission Group chaired by the Chief Nursing Officer and Deputy Chief Medical Officer, which provided guidance and leadership in relation to the implementation of the UK IPC Cell guidance in Wales. UK IPC Cell guidance was also discussed at the UK Senior Clinicians group, which included the chief medical and nursing officers of all four nations. However, this was not a decision-making body. Neither the Chief Medical Officer, Chief Nursing Officer, Chief Scientific Advisor nor the Health and Social Services Group were responsible for formulating, reviewing or amending Infection,

Prevention and Control guidance. Questions regarding the formulation of UK IPC Cell guidance should be addressed to the Cell and/or its constituent bodies.

172. The Infection, Prevention and Control guidance was first issued by the UK Government on the 10 January 2020. The UK Government kept a log of the updates or changes to the guidance. The following table outlines those updates during the course of the pandemic.

10 January 2020	First published.
15 January 2020	Updated document with new edition.
31 January 2020	Updated waste categorisation and terminology for novel coronavirus (2019-nCoV).
3 February 2020	Updated section on 'Waste' with new information.
14 February 2020	Revised guidance.
19 February 2020	Added posters for donning and doffing Personal Protective Equipment (PPE).
3 March 2020	Added quick guides and videos for donning and doffing of personal protective equipment (PPE).
6 March 2020	Changes to PPE and mask and respiratory recommendations for different situations; incorporated existing advice on safe use of point-of-care tests including blood gas machines and updated advice on IPC in operating theatres.
13 March 2020	Added 'Infection prevention and control guidance for pandemic coronavirus'.
21 March 2020	Added new guidance on when to use a face mask or FFP3 respirator.
21 March 2020	Added new guidance for putting on and taking off personal protective equipment (PPE) for non-aerosol generating procedures.
23 March 2020	Moved guidance for personal protective equipment (PPE) for aerosol generating procedures and for non-aerosol generating procedures to new, separate pages.
27 March 2020	Revised sections on aerosol generating procedures and theatres.
2 April 2020	New tables describing PPE use across different clinical scenarios and settings; advice on sessional PPE use and reusable PPE; change in close-contact distance; advice on washing forearms if exposed; advice on acceptable respirators; general formatting to improve usability.
3 April 2020	Updated 'A visual guide to safe PPE' poster.
4 April 2020	Added explanation of the updates to the infection prevention and control guidance.
5 April 2020	Added Frequently Asked Questions on wearing Personal Protective Equipment (PPE).
6 April 2020	List of guidance updates now included in 'Explanation of the updates to infection prevention and control guidance'.
7 April 2020	Removed reference to 'first responders' in PPE table 3 and guidance.
10 April 2020	Updated guidance, new Tables 1,3 and 4, and added links.
12 April 2020	Added a statement to clarify that the UK is currently experiencing sustained community transmission of COVID-19.
17 April 2020	Added Considerations for acute personal protective equipment (PPE) shortages.

24 April 2020	Added PDF version of the complete suite of guidance. Added clarification that chest compression is not an aerosol generating procedure to the PPE page.
27 April 2020	Added statement following NERVTAG review of cardiopulmonary resuscitation as an aerosol generating procedure, and added same statement into the PDF of the complete guidance.
3 May 2020	Added HSE statement about use of FFP2 respirators to the 'Considerations for acute personal protective equipment (PPE) shortages' attachment.
19 May 2020	Added new PDF version of complete guidance; updated 'Introduction and organisational preparedness', 'Transmission characteristics and principles of infection prevention and control', 'COVID-19 personal protective equipment (PPE)', 'Explanation of the updates to infection prevention and control guidance' 'Reducing the risk of transmission of COVID-19 in the hospital setting'.
20 May 2020	Added Appendix 2.
21 May 2020	Amends to the PDF of complete guidance (added text in the appendix, and a corrected link to evidence review). Corrected link to evidence review also added to the PPE page.
12 June 2020	Addition of new operational guidance from NHS England.
18 June 2020	Clarification of aerosol generating procedures in the complete guidance PDF and in the COVID-19 personal protective equipment (PPE) page.
23 July 2020	Added recommendations for the use of face masks in primary care.
7 August	Added 'Epidemiological definitions of outbreaks and clusters in particular settings'.
21 August	Added COVID-19 risk pathways to support returning services.
9 September 2020	Removed 'Considerations for acute personal protective equipment (PPE) shortages'.
16 September 2020	Added IPC highlights quick reference guide.
16 October 2020	Re-arranged document order and moved 'COVID-19: epidemiological definitions of outbreaks and clusters in particular settings' from this page (see link in Details section).
20 October 2020	Added COVID-19: infection prevention and control dental appendix.
21 January 2021	Addition of mental health appendix and title change for IPC guidance to 'Guidance for maintaining services within health and care settings.' Guidance amended to strengthen existing messaging and provide further clarity where needed, such as care pathways to recognise testing and exposure.
15 April 2021	Removed IPC highlight quick reference guide.
1 June 2021	Updated to add requirements on local risk assessments and information around use of respiratory protective equipment and valved respirators. Clarified glove use in amber pathway.
10 August 2021	Updated mental health and dental appendices in line with main IPC guidance of 1 June. Removed fallow time between household members from dental appendix.
2 September 2021	The standard isolation period advised for contacts of cases within inpatient settings is changed back from 10 to 14 days, in line with current healthcare guidance.
29 September 2021	Removed PDF format for main guidance and combined HTML documents into one.

22 November 2021	Guidance broadened to include seasonal respiratory infections; 3 COVID-19 specific pathways removed; section on the hierarchy of controls added; physical distancing advice updated.
23 November 2021	Updated to clarify text on aerosol generating procedures.
24 November 2021	Dental appendix broadened to include seasonal respiratory infections; 3 COVID-19 specific pathways removed and replaced with respiratory and non-respiratory pathways.
17 December 2021	Added UK IPC Cell consensus statement in response to the emergence of the Omicron variant of SARS-CoV-2. Added paragraph to main IPC guidance on risk assessment and use of RPE in response to Omicron variant.
21 December 2021	COVID-19: infection prevention and control for mental health and learning disability settings appendix' has been withdrawn. The UK IPC guidance addresses the needs of the mental health and learning disability services.
17 January 2022	Updated to reflect change in isolation period in hospitals from 14 to 10 days for cases and contacts of cases of COVID-19. Changed wording around RPE to clarify.
15 March 2022	Updated to clarify the recommended use of PPE.
14 April 2022	Updated advice for the duration of isolation in-patient contacts of cases of SARS-CoV-2.

173. With regard to any updates, the UK Infection, Prevention and Control Cell kept the guidance under continuous review in line with the emerging evidence/science and data. The UK Infection, Prevention and Control Cell would also assess international evidence, and the guidance and subsequent updates took into account steps being taken in other countries.

174. In November 2021 the UK Chief Medical Officers and Chief Nursing Officers asked the UK Infection, Prevention and Control Cell, then chaired by Dr Eleri Davies of Public Health Wales, to review evidence around the route of transmission. A copy of this commission is exhibited in **M5HSSG/048 - INQ000227346**. Consequently, a consensus statement by UK Senior Clinicians was published on 17 December 2021 and concluded that the mode of transmission of coronavirus had not changed during the pandemic.

Regional differences within the UK and Wales

175. UK IPC Cell guidance applied to the whole of the UK. In terms of how the guidance was applied, in each of the four nations there was inevitably differences to account for the local structures and organisations but the principles that the Welsh Government adhered to, and directed others to adhere to, were the same across the UK.

176. There was a partial exception to this in the UK IPC Cell guidance published on 20 August 2020. This guidance included a recommendation to wear facemasks (in the case of staff) or face coverings (in the case of visitors) in non-clinical areas which explicitly applied only to England and Scotland. This recommendation was in addition to other measures including social distancing and hand hygiene for staff, which did apply across the UK. The difference in application was due to the Welsh Government not mandating the use of facemasks in public at that time. A mandatory requirement for face coverings in indoor public spaces in Wales was subsequently announced by the First Minister on 11 September 2020, with effect from 14 September 2020, and Director General Andrew Goodall wrote to inform NHS Chief Executives on 28 September 2020. The next version of the UK IPC Cell guidance published on 21 January 2020 updated the recommendation for facemasks or coverings in non-clinical areas to apply to the whole of the UK.
177. The Infection, Prevention and Control guidance that was in place was the same across all parts of Wales. The only inconsistencies that arose in how the guidance was interpreted related to the conflicting positions within the national PPE guidance and the UK resuscitation guidance regarding whether CPR and chest compressions were considered to be an aerosol generating procedure (AGP).
178. The section 'Working relationship between Chief Nursing Officer for Wales and the Chief Medical Officer for Wales' of the Chief Nursing Officer's Module 5 statement (**M5/CNOW/01**) outlines how local health boards and NHS trusts were deciding for themselves whether to instruct staff to treat CPR as an aerosol generating procedure or not, and consequently what approach staff should take regarding PPE in this context.
179. In respect of this particular issue, the Chief Medical Officer for Wales and the Chief Nursing Officer for Wales issued a letter on 7 May 2020 to the Medical and Nurse Directors to address how NHS Wales organisations should set local policy, and the discretion afforded to staff on what PPE to wear. Exhibit **M5HSSG/049-INQ000299272** refers. I was not aware that this issue affected the projections of demand for PPE or spending on PPE in Wales.
180. More broadly, the Welsh Government sought to ensure consistency of implementation of Infection, Prevention and Control guidance across Wales. In a

written statement on 25 March, 2020, the Minister for Health and Social Services Vaughan Gething said that Public Health Wales had provided advice on infection prevention and control for healthcare settings and advice on the correct use of personal protective equipment has also been issued to specific groups of healthcare workers. He stressed the importance of following the guidance to protect staff and also to ensure that the appropriate PPE is used for each healthcare setting. The written statement is at **M5HSSG/050 - INQ000299063**.

181. I was not aware of local authorities in Wales believing that care workers could not have access to PPE unless they were dealing with patients with actual or suspected Covid-19. The Welsh Government was always consistent that the Infection, Prevention and Control policy on PPE use should always be followed

Mutual aid and co-ordination across the four nations

182. On 9 August 2021, the Welsh Government announced, as exhibited at **M5HSSG/051 - INQ000470747**, that in relation to PPE, since the beginning of April 2020, Wales had issued 13.8 million items of mutual aid to other UK nations and received 1.4 million items on request from Scotland and Northern Ireland. Welsh health services' buying power enabled £37.5 million of PPE for other UK nations. In return, Wales had received around 3.3 million items from the UK Government to replenish stocks. In total, between 2020-2022, £1.022 billion was received in consequential funding from the UK Government in relation to PPE.

183. Full details on the arrangements agreed between the four nations regarding mutual aid can be found in the '*Manufacturing within Wales and Mutual Aid*' section of the corporate statement **M5/CPD/01**. This outlines the Pandemic Stock Principles for the Coronavirus Outbreak which were updated on 11 February 2020 following agreement from the four nations.

184. **M5/CPD/01** also describes:

- a) Under the heading '*Prior to the pandemic (June 2009 to March 2020)*', the Memorandum of Understanding agreed on 18 July 2018 between the devolved governments and the Secretary of State for Health in relation to the provision of procurement, storage and distribution services forming part of the Pandemic

Influenza Preparedness Programme and the Emergency Preparedness Resilience and Response Programme.

- b) Under the heading '*Lateral Flow and PCR tests*', the 29 April 2021 Memorandum of Understanding between Welsh Government Ministers and the Secretary of State for Health and Social Care in relation to the Testing Programme, including testing procurement.

Lessons Learned

185. The '*Lessons learned*' section of **M5-WGCPD-01** describes the impact of the pandemic on procurement practices, policy and structure, including the key details of, and relevant Welsh Government actions in response to, the following reports:

- c) Welsh Government Internal Audit Service Report on Covid-19 PPE, dated December 2020, exhibited in **M5HSSG/052 - INQ000022592**.
- d) Health and Social Services Group report entitled 'Review of the Health & Social Services Group Response Structure to COVID-19', dated 25 September 2020, exhibited in **M5HSSG/053 - INQ000066465**.
- e) Audit Wales 'Procuring and Supplying PPE for the COVID-19 Pandemic' exhibited report dated April 2021, exhibited in **M5HSSG/054 - INQ000214235**.
- f) Health and Social Services Group report entitled 'Second Review of the Health & Social Services Group Response Structure to COVID-19', dated 11 October 2021, exhibited in **M5HSSG/055 - INQ000022616**.
- g) NHS Wales Shared Services Partnership Audit Committee Report, dated April 2022, exhibited in **M5HSSG/056 - INQ000477059**.

186. The Inquiry has asked for my reflections on the procurement and distribution of key healthcare equipment and supplies during the Covid-19 pandemic.

187. Wales had the unique advantage of being a small country which was beneficial in terms of governance. Wales operated a generative governance model which meant that those who needed to make decisions were involved early in the process. In addition, decision making, communication, insight and intelligence between the NHS in Wales and the Welsh Government happened quickly and we had a shared understanding of issues and how to address them.

188. I was able to meet with PPE leads of the relevant bodies in Wales daily if needed to address issues directly and understand what was happening on the ground, without the need to go through overly complicated processes and structures. This was in contrast to England where the UK government tried to exercise traditional decision-making governance within an organisational model which, in my opinion, appeared to sometimes lead to delay and a lack of awareness of problems.
189. Having a national shared service, the NHS Wales Shared Services Partnership, along with several experienced procurement professionals was also advantageous to how we co-ordinated our handling of the pandemic.
190. I believe Wales should continue to operate and design approaches that are best suited to Wales, rather than mimic governance structures and processes of larger countries like England. So, although I believe that some structures and processes could be formalised in preparation for any future pandemic, I also think it is important to reflect upon what small country governance can look like in an emergency situation and the opportunities that provides in terms of responding to a pandemic in an agile and flexible way.

Future plans relating to the procurement and distribution of key healthcare equipment and supplies in the event of any future pandemic

191. Clinical countermeasures are a key component of the Welsh Government's preparedness work for future risks including infectious disease threats and pandemics. These clinical countermeasures include stockpiles of medicines, vaccines, antibiotics, clinical consumables and PPE. Following the pandemic, a UK wide Review of Emergency Preparedness Countermeasures was set up to provide expert advice to inform policy development for future pandemics and infectious disease outbreaks that cause civil emergencies.
192. Most stockpile procurement is made on a UK-wide basis by the UK Government with the Devolved Governments funding their share on a Barnett basis. The NHS Wales Shared Services Partnership procures and manages the PPE stockpile in Wales alongside NHS business as usual demand, and where possible rotates stock for efficiency and to avoid write-off. The current/interim PPE stockpiles for Wales have been informed by the early findings of the UK-wide Countermeasures Review from Autumn 2023. To support future oversight of countermeasures products and

stockpiles in Wales a Countermeasures Oversight Board has been established, attended by the Welsh Government, NHS Executive and the NHS Wales Shared Services Partnership.

193. In September 2024, and based on the final findings of the review, UK Government Ministers agreed to a new set of PPE target volumes for England. To ensure consistency and alignment across the UK on the new approach, the Department for Health and Social Care has shared the business case on which the new English targets are based with the Devolved Governments. The Welsh Government is working with the NHS Wales Shared Services Partnership to carry out a full assessment of future efficient PPE stockpile products and levels for Wales to provide advice and recommendations for Ministers.

Statement of Truth

I believe that the facts stated in this witness statement are true. I understand that proceedings may be brought against anyone who makes, or causes to be made, a false statement in a document verified by a statement of truth without an honest belief of its truth.

Signed:

PD

Dated: 09 December 2024